IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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I.T.A. No.580 of 2006
Date of Decision:20.2.2007

Commissioner of Income Tax, Ludhiana-II

.....Appellant

Vs.

M/s Avon Cycles Ltd., G.T.Road, Ludhiana

.....Respondent

CORAM:- HON'BLE MR. JUSTICE M.M.KUMAR
HON'BLE MR. JUSTICE RAJESH BINDAL

Present:- Mr. Sanjiv Bansal, Advocate for the revenue.

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RAJESH BINDAL, J.

The revenue has approached this Court by filing the present appeal seeking to raise the following substantial question of law, on the basis of order passed by the Income Tax Appellate Tribunal, Chandigarh Bench-B, Chandigarh (for short, `the Tribunal') in I.T.A. No.458/Chandi/2005 dated 26.5.2006, in respect of assessment year 2000-01:-

> "Whether on the facts and in law, Hon'ble ITAT was legally justified in deleting the addition of Rs.13,29,841/- made by Assessing Officer in the total income of the assessee, on account of Excise Duty on closing stock of raw material, by applying provisions of section 145A of the Income Tax Act?"

Briefly the facts are that the Assessing Officer added back Rs. 13,29,841/- in the closing stock of the assessee on account of excise duty thereon. In appeal, the Commissioner of Income Tax (Appeals) (for short, `the CIT(A)') deleted the addition relying upon the order passed in assessee's earlier case for the assessment year 1999-2000. Appeal against the order of CIT(A) was dismissed by the Tribunal further relying upon judgment of Hon'ble the Supreme Court in **Commissioner of Income-Tax v. Indo Nippon Chemicals Co. Ltd.,** (2003) 261 ITR 275.

An identical issue has already been gone into by this Court in I.T.A. No.136 of 2005 – **The Commissioner of Income-tax, Patiala v. M/s Groz Backert Asia Ltd., 133-135, Industrial Area-I, Chandigarh**

decided on 28.7.2006 and I.T.A. No.2 of 2004 – **The Commissioner of Income Tax, Patiala v. M/s Groz Backert Asia Limited, Chandigarh** decided on 12.10.2006, where the appeals filed by the revenue were dismissed.

For the reasons stated in afore-mentioned orders passed by this Court, we do not find any merit in the present appeal. Accordingly, the same is dismissed.

(RAJESH BINDAL)
JUDGE

February 20, 2007 **(M.M.KUMAR)**
renu **JUDGE**